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## **1.Nature and characteristics**

### Nature

- Management is multi-disciplinary
- Universal application
- Dynamic nature of Principles of management
- Decision Making
- Management Principles are relative and not absolute
- It is a Discipline/Career/Profession
- Management is a Science and an Art as well

### Important Characteristics of Management

- It should be stable
- It should be applicable to all kinds of organizations
- It is transparent
- Its approaches are very clear and goal oriented
- It should be simple yet effective
- It should be responsive to economic, technological, social, political factors that affect the areas of operation
- It should have well defined goals
- It should have good planning, organizing, staffing, directing and controlling functions

## 2. Cycle/ Management process/ functional areas of management

⑦ Functional areas of management:-  
Management process or cycle SMD

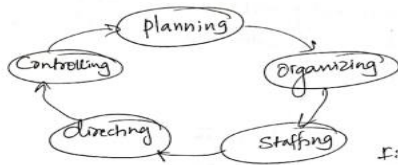


Fig. ①

Management basically consists of five functions which are shown in the above figure. Let us discuss these functions in brief.

① Planning:- Planning is a primary function of management. It is a thinking in advance which gives the answers for various questions like what to do? when to do? where to do? by whom? & how to do? This basically bridges the gap between present and future.

② Organizing:- It is the arrangement of all the resources to achieve the objectives which they have planned in the planning function. Resources include physical, financial, and human resources. Organizing provides the structure to the organization and co-ordinates all activities. ②

③ Staffing:- Staffing is the process where organization recruits the individuals for various jobs. It is selecting the right person for a right job. Staffing not only includes the recruitment but also consists of training, education & development of employees.

④ Directing:- Directing is the process where guidelines will be given in the form of instructions, suggestions to the employees to carry out the particular work or job. It consists of three primary functions or elements: i) Leadership ii) Motivation iii) Communication

⑤ Controlling:- In any organization, controlling is a very much essential function because the work should not get diverted. It consists of the following steps:

- i) Establishing the standards.
- ii) Measuring the current performance.
- iii) Comparing the current performance with set standards.
- iv) If there is any deviation then necessary action should be taken. It is essential.

### 3. Role of manager

#### Roles of a manager:

##### I) Interpersonal roles:

(i) **Figure head:** performs duties of ceremonial nature such as greeting the touring dignitaries, attending the wedding of an employee etc.

(ii) **Leader:** every manager must motivate and encourage their employees, try to reconcile their individual needs with the goals of the organization.

(iii) **Liaison:** in this role, every manager must develop contacts outside the vertical chain of command to collect information useful for the organization.

##### (II) Informational roles:

**Monitor:** must perpetually scan his environment for information to interrogate his liaison and subordinates to get any solicited information useful for the organization.

**Disseminator:** manager passes the privileged information directly to the subordinates who otherwise would not have access to it.

**Spokesman:** may require spending a part of the time in representing the organization before various outside groups having some stake in the organization such as government officials, labour unions, and financial institutions.

##### (III) Decisional roles:

(i) **Entrepreneur:** in this role the manager proactively looks out for innovation to improve the organization by means of creating new ideas, development of new products or services or finding new uses for the old ones.

(ii) **Disturbance handler:** must act like a firefighter to seek solutions to various unanticipated problems

(iii) **Resource allocator:** must divide work and delegate authority among his subordinates.

(iv) **Negotiator:** must spend considerable time in negotiations.

**Example:** the foreman negotiating with the workers for the grievance problems

### 4. Planning process

Steps in planning premises :- (Process).

There are several steps in planning process which are as follows.

1) Being aware of opportunities :-

This is the first and foremost step in the planning process, the one who should know the facilities/opportunities in the organization

2) Establishing the objectives :-

Once after knowing the opportunities, realistic objectives has to be set.

### 3) Developing Planning Premises:-

Planning premises are creating or considering set of assumptions. plan has to be made by considering certain conditions. Premises may be tangible, intangible, controllable and uncontrollable premises.

### 4) Identifying the alternatives:-

After considering the premises a manager has to identify the alternative sources to achieve the objectives.

### 5) Evaluating the alternatives:-

Alternatives listed alternative has to be evaluated in the light of existing reality. positive and negative aspects has to be considered.

### 6) Selection of alternatives:-

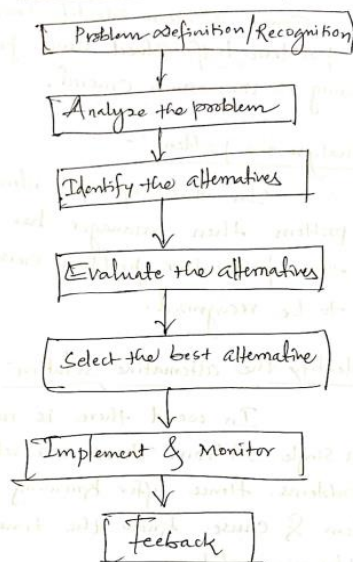
The most positive aspect of least negative aspect alternative has to be selected for the objectives.

### 7) Implementation:-

This particular steps will be executed by middle level & low level management.

## 5. Steps in Decision Making

### Steps in Decision making:-



### 1) Problem Definition:-

Manager has to take decision when problem exists in the organisation. Hence manager has to identify

the problem correctly.

Correct problem identification is nothing but problem half solved hence problem defining is very much crucial.

### 2) Analyse the problem:-

In this step after identifying the problem then manager has to think why this particular problem exists. Causes has to be recognized.

### 3) Identify the alternative solution:-

In world there is no problem have a single solution. There is a solution for all problems. Hence after knowing the problem & cause know the time to identify the solutions. Identify

### 4) Evaluate the alternate solution:-

Once alternative are listed out then those alternatives should be evaluated with its merits & demerits.

### 5) Selection of Best alternatives:-

SND

The one with most benefit and least demerit should be selected as best alternative.

### 6) Implement & Monitor:-

After implementing the decision manager has to monitor the process whether that particular decision is working or not.

### 7) Feedback:-

Feedback is necessary to take corrective action if there is any deviation in the work.

## 6. Principles of Organization

### Principles of organization:

The principles of organization are as follows

**1) Objectives:** The objectives of the enterprise influence the organization structure and hence the objectives of the enterprise should first be clearly defined.

Then every part of the organization should be geared to the achievement of these objectives.

**2) Specialization:** Effective organization must promote specialization.

The activities of the enterprise should be divided according to functions and assigned to persons according to their specialization.

**3) Span of control:** As there is a limit to the number of persons that can be supervised effectively by one boss, the span of control should be as far as possible, the minimum.

That means, an executive should be asked to supervise a reasonable number of subordinates only. **4) Exception:** As the executives at the higher levels have limited time, only exceptionally complex problems should be referred and routine matters should be dealt with by the subordinates at lower levels.

This will enable the executives at higher levels to devote time to more important and crucial issues. **5) Scalar Principle:** This Principle is sometimes known as the "chain of command". The line of authority from the chief executive at the top to the first-line supervisor at the bottom must be clearly defined.

**6) Unity of command:** Each subordinate should have only one superior whose command he has to obey. Multiple-subordination must be avoided for it causes Uneasiness, disorder, indiscipline and undermining of authority.

**7) Delegation:** Proper authority should be delegated at the lower levels of manager of the organization also. The authority delegated should be equal to responsibility that is each manager should have enough authority to accomplish the task assigned to him. Inadequate delegation often results into multiplication of staff and service activity.

**9) Responsibility:** The superior should be held responsible for the acts of his subordinates. No superior should be allowed to avoid responsibility by delegating authority to his subordinates

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## 7. Steps in selection process

Selection :-

Selection can be defined as selecting best candidate among pool of candidates so that right person can be appointed on right job.

Selection process :-

- 1) Preliminary Screening
- 2) Interview Test
- 3) Employer Test
- 4) Background & reference check
- 5) Selection decision
- 6) Medical test
- 7) Job offer
- 8) Contract of employment.

(23)



#### 1) Preliminary Screening :-

This is the first process where maximum candidates will get rejected based on the cut-off, qualification and experience.

#### 2) Interview Test :-

Various interview tests are conducted to filter out the candidate.

i) Intelligent Test : IQ will be checked.

ii) Aptitude Test : Capacity to learn new things.

iii) Trade : Skill acquired for current job.

iv) Personality : Emotional & sentiment will be checked.

3) Employer Test :- This is face to face interaction where employer will be curious to know why particular candidate wants to join the company and why he is leaving the existing company if any.

4) Background & Reference Check :- To check the details provided in the resume or CV this particular test will be conducted.

5) Selection Decision :- Based on the marks acquired in various tests individual can be selected.

6) Medical Test :- After selecting the individual then he has to go through the medical check up whether he will suit for that nature of job.

7) Job Offer : Offer letter will be given to the candidate.

8) Employment Contract :- If candidate accepts job letter then contract agreement can be made. In that job title, probated salary, policy will be mentioned.

## 8. Motivation Theories

### Motivation Theories

1) Maslow's Hierarchy of Need theory

2) Motivation & Hygiene theory

3) Theory X and Theory Y

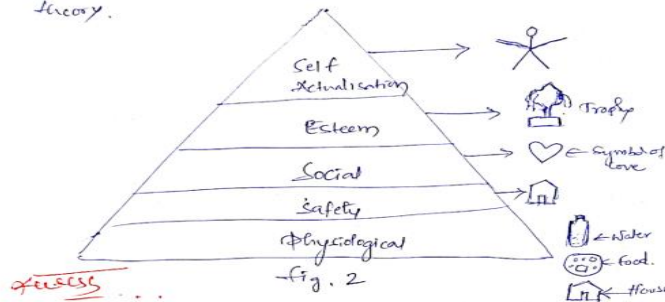
4) Carrot & Stick theory.

#### ① Maslow's Hierarchy of Need Theory

This theory is introduced by

Abraham Maslow hence the name Maslow's hierarchy of need theory. This theory is very popular and famous it is used in most of the organisations. (28)

Based on the level of individual needs get changes. The below figure 2 shows the levels & need involved in the theory.



### ① Physiological Need:-

These are basic amenities of any human for his survival, which includes Food, Clothes, shelter, water, air etc. Unless and until these needs are not met individual or human will not think of other higher level needs.

### ② Safety Needs:- After meeting the basic needs, individual will think of job security, Confirmation, physical and environment threat, pension, health risks etc. At this level individual will act

motivated based on this factor. A retirement policy, Health insurance, Confirmation can satisfy the individual. SND

### ③ Social Need:- This is the higher level need, once after satisfying the lower level need, individual start missing of loved one, sweetheart, friends, good colleagues etc. at this stage these all factors motivate the individual.

### ④ Esteem:- These needs are related to ego needs which are related to status, recognition, prestige, freedom, independence, etc. A Good job designation, Job nature can motivate the individual.

### ⑤ Self Actualization:-

It is the highest level of achieving one's own dream or ambition. Very less people will move to this level.

Most of the people around 85% will get satisfy and saturated at esteem level.

Now the manager has to understand the levels of his employee / subordinated and he has to motivate based on their needs hence in this way this theory helps the managers indirectly to the organizations.



If the presence will not be motivated, but it is required to maintain them or to avoid dissatisfaction. SND

Motivation factors are required to motivate the individual to give best. Absence of these factors not dissatisfied the individual.

### ③ Theory X and Theory Y

Douglas McGregor has developed this theory X and theory Y.

~~The theory~~ This theory explains that a manager will be having assumption towards ~~the~~ employees ~~and~~ those are employees will not do work and need to control them and also other assumption says that employees will do the work without any input or control.

Assumptions can be divided in to two groups.

Theory X

- 1) Classical approach
- 2) Employees inherently dislike the work

Theory Y

- 1) Modern approach
- 2) Employees treat the work as a rest or play. (20)

### ② Motivation & Hygiene Theory :-

Fredrick Herzberg has developed this theory. He has conducted a interview to the 200 Accountants & engineers & summarised the answers in this theory.

He has distinguished two factors which are satisfy and dissatisfy the employees those factors he called motivation & hygiene factors.

Motivation  
Hygiene Factors

- 1) Salary
- 2) Job security
- 3) Policy & Rules
- 4) Relation with superiors.
- 5) Status
- 6) Job Monitoring.

Motivation Factors

- 1) Recognition
- 2) Job itself
- 3) Challenging work
- 4) Appreciation
- 5) Responsibility
- 6) Growth opportunity

Hygiene factors are called as maintenance factors their absence make employees dissatisfied.

⑤ These are lazy people & need to monitor & control

- 1) Little ambitious
- 2) Motivate at lower needs
- 3) Try to avoid responsibilities & like to be get directed

⑥ Self Control & active.

- 1) High ambitions
- 2) Motivate at all levels of needs.
- 3) Love to take responsibility & challenges.

### ④ Carrot & Stick theory :-

This is very old approach of getting things done through the people. The employee who does his work sincerely, prompt and achieve his objectives to be rewarded with incentives, increment, bonus reward etc as this is a Carrot in the theory.

The one who does not do his work accordingly & fail to achieve should have to be punished like suspension, demotion, pay cut, cut in the facility as in this case it is a Stick.

## 9. Steps in controlling

Meaning :- Controlling is defined as the process of measurement of actual performance with set standards and comparing it for the purpose of finding the deviation & taking necessary action to address the deviation.

Steps in Controlling or Controlling Process

- 1) Setting the Standards
- 2) Measuring the actual performance
- 3) Comparing it with Standards
- 4) Analysing the deviations
- 5) Taking necessary actions.

1) Establishment of Standards :-

Standards are the targets or goals one who wish to achieve it.

Two types of standards are existing namely

- |  |   |
|--|---|
| 1) Quantitative<br>Ex: Sales target<br>Production target | 2) Qualitative<br>Ex: Customer Satisfaction<br>Employee " |
|--|---|

(37)

2) Measuring the actual performance :-

The actual performance can be measured of different departments for the particular period of time in terms of numbers.

3) Comparing with Standards :-

While Comparing with Standards deviations can be determined.

deviations are classified as two types

- 1) Positive deviation      2) Negative deviations

4) Analyzing the deviations :- allegedly

Even though deviations are positive or negative, since if deviation is within acceptable limit then no need to take corrective. Send report to the top mgt.

If deviations are major & it has to be reported to top mgt.

5) Taking necessary action :- After finding the deviation, the reason behind the issues has to be determined & address those issues.

corrective actions has to be taken.

## 10. Needs of an Employee

Not Important :):)